

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on March 5, 2001 at 9:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Rod Bitney, Vice Chairman (R)  
Rep. Gary Matthews, Vice Chairman (D)  
Rep. Nancy Fritz (D)  
Rep. Dave Gallik (D)  
Rep. Dennis Himmelberger (R)  
Rep. Carol C. Juneau (D)  
Rep. Jim Keane (D)  
Rep. Rick Laible (R)  
Rep. Bob Lawson (R)  
Rep. John Musgrove (D)  
Rep. Allen Rome (R)  
Rep. Donald Steinbeisser (R)  
Rep. Brett Tramelli (D)  
Rep. Roy Brown (R)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. William Price (R)  
Rep. James Whitaker (R)

**Members Excused:** Rep. Sylvia Bookout-Reinicke (R)

**Members Absent:** None.

**Staff Present:** Gordon Higgins, Legislative Branch  
Jane Nofsinger, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB80, SB97, SB78, 3/2/2001  
Executive Action: SB97, SB78, SB80, SB27, SB211,  
SB252

HEARING ON SB80

Sponsor: SEN. DALE MAHLUM, SD35, MISSOULA

Proponents: Jeff Tiberi, Montana Heritage Commission  
Arnie Olsen, Montana Historical Society

Opponents: None

Opening Statement by Sponsor:

SEN. MAHLUM, SD35, MISSOULA, said this bill was about heritage and tourism. He said the act clarifies the management responsibilities of the Montana Heritage Preservation and Development Commission, and adds three members to the commission. It also allows the commission to conduct building preservation costing over \$200,000 without legislative consent.

Proponents' Testimony:

Mr. Tiberi presented a slide show on Virginia City and written testimony. EXHIBIT(buh50a01) EXHIBIT(buh50a02)

Mr. Olson presented written testimony. EXHIBIT(buh50a03)  
EXHIBIT(buh50a04)

Opponents' Testimony: None

Questions from Committee Members and Responses:

REP. BITNEY said the figures of \$150,000 for a rail car and \$50,000 for roof renovation seemed high. Mr. Tiberi replied that they had to remove lead-based paint which involved putting a paste on and removing it. He said the \$50,000 was for stabilization of the roof, not just for roofing. He said the average renovation per building is \$50-80,000.

REP. LAIBLE asked if, in the future, it was anticipated Virginia City could exist without taxpayer dollars. Mr. Tiberi said over the past three years they had found some scary things such as the wiring in the Opera House. He explained this facility holds 240 people and safety is a concern. He said they are using Colonial Williamsburg in Virginia as a model. He projected in ten years it may balance out.

REP. LAIBLE asked if Bannack was self-sufficient or in need. Mr. Olson said Bannack was a complete ghost town, and had no active businesses. He said it is a state park and there are no artifacts

left there. He said the artifacts in Virginia City are the value there. He said there is a phenomenal potential to the General Revenue in making reproductions.

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**REP. GALLIK** asked **SEN. MAHLUM** how the commission could make contracts for amounts exceeding \$200,000 without legislative consent. **SEN. MAHLUM** said the money comes out of grants. He noted that last year \$1 million was received from the national park service. **REP. GALLIK** asked if the intent of legislation is to have someone asking next time for more money. **SEN. MAHLUM** said no, that was not the intent, this would be out of a different fund.

**REP. JUNEAU** said she was curious if the program was specifically for Virginia and Nevada Cities. **SEN. MAHLUM** said it was specifically for "properties that possess outstanding historical value." **REP. JUNEAU** asked if the commission had the authority to work with other properties. **SEN. MAHLUM** said yes. **REP. JUNEAU** asked **SEN. MAHLUM** if the Montana Historical Commission had forgotten the first people of Montana because she saw no reference in the slide presentation to these people. **SEN. MAHLUM** said the commission has discussed this. He added, "If the Native Americans came to us, and said they had something of value, we would be happy to talk with them." **REP. JUNEAU** said she saw they were adding three members to the commission. "You may want to include some American Indians on that commission and include all Montanans in your work," she said. **SEN. MAHLUM** said they have discussed this and they would like to have the Director of Travel Montana, and if they could bring in some Native Americans, they would be happy. **REP. JUNEAU** said she would like to convey that to the Montana-Wyoming Tribal Leaders. **SEN. MAHLUM** said, "I know the Native Americans have been here longer than the guys who came to look for gold."

**REP. HIMMELBERGER** asked if there were any plans in Virginia City for a brewery. **Mr. Tiberi** they sell beer, but don't brew it. He stated that could be a real money maker.

**REP. LAIBLE** asked where the money would come from after the bed tax was gone. **Mr. Tiberi** said that another bill by **SEN. MAHLUM** extends \$400,000 in bed tax per year for this project.

**Closing by Sponsor:**

**SEN. MAHLUM** said to him it is about our heritage. "I want my children and their children to see why they live here, and this is priceless," he concluded.

**HEARING ON SB97**

**Sponsor:** SEN. DALE MAHLUM, SD35 , MISSOULA

**Proponents:** Jerry Driscoll, Montana Construction  
and Building Trades

Al Smith, Montana Trial Lawyers

George Wood, Montana Independent Insurance Agents

Aidan Myhre, Montana Chamber of Commerce

Riley Johnson, NFIB

Nancy Butler, State Fund

Barry Stang, Montana Motor Carriers Assn.

Jacqueline Lenmark, AIA

Don Judge, Montana AFL-CIO

**Opponents:** None

**Opening Statement by Sponsor:**

**REP. DALE MAHLUM, SD35, MISSOULA,** said the bill was brought at the request of the Interim Business and Labor Committee. He said it is designed to help with the reasonable travel expenses of injured workers when they are seeking medical help. He noted that Montana is one of the few states which does not reimburse expenses related to medical travel.

**Proponents' Testimony:**

**Mr. Driscoll** presented an amendment. **EXHIBIT (buh50a05)** He said the bill would pay for travel at the state rate, for rural people mostly, if the travel is over 100 miles. The bill now says if hurt on the way to the doctor, it wouldn't pay for these injuries. The amendment says if the injury which the treatment was for is involved, it would pay.

**Mr. Smith** said he supported the Driscoll amendment. He presented another which said the travel must be over 100 miles in a month, unless the travel was required by the insurer for the injured party to obtain an individual medical exam.

**Mr. Wood, Ms. Myhre, Mr. Johnson, Ms. Butler, Mr. Stang. Ms. Lenmark, and Mr. Judge** asked the committee to adopt the Driscoll and the Smith amendments.

Opponents' Testimony: None

Informational Witness:

**Mr. Keck, Department of Labor and Industry**, presented information which he said the interim committee had asked them to study.

**EXHIBIT** (buh50a06)

Questions from Committee Members and Responses:

**REP. GALLIK** wanted to know how much this would raise the premium for the State Fund. **Ms. Butler** said it would raise it 0.1%, or about \$75,000 for the State Fund, so it was not much impact.

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**REP. LAIBLE** asked if reasonable travel included lodging and meals. **Mr. Keck** said every state is different, but in general, the cost of expenses and overnights are covered if necessary.

**REP. BROWN** said he was on the interim committee and he voted against it there. He asked what was different about the bill today, because it seemed like a "real lovefest." **SEN. MAHLUM** said it was the amendment.

Closing by Sponsor:

**SEN. MAHLUM** said he didn't know where all these people were when the bill was heard in the Senate. He said this is a good bill which will help people in Montana.

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HEARING ON SB78

Sponsor: **SEN. DON HARGROVE, SD16, GALLATIN**

Proponents: **Riley Johnson, NFIB**  
**Charles Brooks, Billings Area Chamber of Commerce**

Opponents: None

Opening Statement by Sponsor:

**SEN. DON HARGROVE, SD16, GALLATIN**, said this bill is about the one-stop business license program. The system provides for one application, one bureau and one check, rather than having to fill out ½ dozen different forms. He said there was a pilot program in 1997, and an implemented program in 1999. The program has been paid for out of the agencies' budgets. SB78 allows the licensing coordination center to pass up to ½ of the cost of processing license applications to the participating agency and the remaining cost to the applicant. He noted the cost averaged less than \$5.00 each.

**Proponents' Testimony:**

**Mr. Johnson** said this bill has had more effect on his members than any other. He added it saves "time and headaches."

**Mr. Brooks** said it is a problem staying on top of all the required licenses. He said this type of legislation is really beneficial for retailers who have a series of departments subject to licensing. He said this is good legislation, and told the committee **Mr. Stevens** of Montana Food Distributors agreed, but couldn't be there today.

**Opponents' Testimony:** None

**Informational Witnesses:**

**Mr. Baerlocher, Department of Revenue**, said he oversaw the one-stop licensing program. He presented a chart showing how the program was organized. **EXHIBIT (buh50a07)**

**Questions from Committee Members and Responses:**

**REP. LAIBLE** asked **Mr. Baerlocher** if this was a new agency within the Department of Revenue. **Mr. Baerlocher** replied it was. **REP. LAIBLE** asked if licenses could cost more this way and if they kept track of the cost. **Mr. Baerlocher** said the costs vary depending on the number of licenses. He added they make all the arrangements and allow the business to pay with just one check.

**REP. GALLIK** asked if they ran around and picked up all the licenses or was there just one page they could fill out. **Mr. Baerlocher** said there was one page, a master application which incorporated all the licenses.

**REP. LAWSON** asked what the typical fee or cost to the applicant was. **Mr. Baerlocher** said it averaged \$3.16 per license.

**Closing by Sponsor:**

**SEN. HARGROVE** noted the program is computerized and the bill is only about the administrative cost, not the license cost. He said a Board of Review meets annually and includes the people who manage the program and the directors of the agencies.

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**EXECUTIVE ACTION ON SB97**

**Motion:** **REP. LAWSON** moved that **SB97 BE CONCURRED IN.**

**Discussion:**

**Mr. Higgins** said he had the amendment by Al Smith ready which added "unless the travel is required by the insurer."

**REP. KEANE** moved the amendment.

**Vote:** Motion **carried unanimously.**

**Discussion:**

**REP. LAIBLE** said to **REP. BROWN**, "You heard this in the interim committee, and now it seems to have bi-partisan support, do you have any comments." **REP. BROWN** said when he heard it before there wasn't support on both sides, but now changes had been made to make both sides happy.

**Vote:** Motion **carried unanimously.**

**EXECUTIVE ACTION ON SB78**

**Motion:** **REP. BROWN** moved that **SB78 BE CONCURRED IN.**

**Discussion:**

**REP. BROWN** said his seatmate Sam Rose was the guru behind this bill. **REP. BROWN** said it is a good way to enhance and continue to grow the program.

**REP. WHITAKER** asked how many more departments would be added.

**REP. BROWN** said they will add as many as they can. He said, "It is the tip of the iceberg right now."

**REP. ROME** said he had to have three licenses in his business, and all of them go through the one-stop program. He said, for him, it is no longer an administrative nightmare.

**REP. LAIBLE** said he liked the bill and thought it was a great step in the right direction.

**Vote:** Motion **carried unanimously.**

**REP. BROWN** will carry the bill in the House.

#### **EXECUTIVE ACTION ON SB80**

**Motion:** **REP. KEANE** moved that **SB80 BE CONCURRED IN.**

#### **Discussion:**

**REP. KEANE** said his uncle had a store in Virginia City and it was heartbreaking to watch the store deteriorate. He said this bill was not about money, it was about the heritage of Montana. He said, "If we can't invest in that, we should pack up and move somewhere else." He mentioned the great importance of history and tourism in Ireland, and how that boom was funded by public investment.

**REP. GALLIK** said in all due respect to **REP. KEANE's** argument, he was concerned this bill added members to the commission, and each additional member cost \$686 per year. He said he reluctantly opposed the bill. (He later withdrew his opposition and supported the bill.)

**REP. MUSGROVE** said he supported it because the commission was working for grants from a variety of people. He said the more of these grants the commission gets, the better.

**REP. STEINBEISSER** asked why more members were being added to the commission. **Mr. Tiberi** said it would be nice to have an architect or an engineer. Also, he added, Travel Montana helps a lot with their marketing now, and it would be helpful if they were there daily to call on.

**REP. LAIBLE** said he was a reluctant supporter as he was concerned about taxpayer funds.



**CHAIRMAN MCKENNEY** agreed with **REP. KEANE** saying during his time in the Navy aboard the USS America, he had seen the incredible amount of tourism centered around the historic places of Western Europe. He said sometimes it is hard to see the economic spin-off, but there is a beneficial effect on the rest of the state.

**Vote:** Motion **carried unanimously.**

**EXECUTIVE ACTION ON SB27**

**Motion:** **REP. LAWSON** moved that **SB27 BE CONCURRED IN.**

**Discussion:**

**Motion:** **REP. BROWN** moved that **SB27 BE AMENDED.**

**Discussion:**

**REP. GALLIK** said he was opposed to the amendment.

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**REP. LAIBLE** disagreed and said you are saying you can give a discount without allocating the cost to someone paying less. The rates have to be spread out, he said.

**REP. GALVIN-HALCRO** asked what he meant by being spread out when most people are rated on their driving performance.

**REP. LAIBLE** said if people are unfairly paying more now, then the amendment takes away the burden so truly their payment will be based on their history.

**REP. MUSGROVE** said it bothered him because if married people supposedly drive safer, because there are kids in the car, what about the unmarried people with children. He added that they would be stuck with a higher insurance bill.

**REP. GALLIK** said the amendment removes ability and puts in unfairness by requiring other classes to subsidize a class for which the first class does not benefit.

**REP. PRICE** said the whole principle of the law of big numbers is that all groups are subsidized.

**Vote:** Motion carried 10-9 with Fritz, Gallik, Galvin-Halcro, Juneau, Keane, Lawson, Matthews, Musgrove, and Tramelli voting no.

**Motion:** REP. BROWN moved that SB27 BE CONCURRED IN AS AMENDED.

**Discussion:**

REP. FRITZ said she did not like the bill. She suggested that married be taken out and parental be put in since it is based on the fact that a person with a child is more careful.

REP. BROWN said Montana is in conflict with 49 other states who use married and unmarried group rates. He said statistics show marrieds subsidize other groups by 32%.

REP. GALVIN-HALCRO asked if Montana was one of the few states that have no gender-based insurance coverage.

REP. BROWN said it was.

REP. GALVIN-HALCRO asked if females subsidized males.

REP. BROWN said yes.

REP. GALLIK said he opposed the bill because this or a similar one has come through the legislature every year since 1985 and has been rejected. He said it is expensive and has unintended consequences.

REP. BROWN said the witnesses said Montana has an administrative problem because they are different from the other states. He said some insurance companies were opposed, but with the amendment off, they shouldn't oppose.

REP. LAIBLE said auto insurance is based on risk. He noted that young, unmarried, male drivers have a higher risk than females. He said, "If we don't pass this, then we are disallowing a statistical fact."

**Vote:** Motion failed 9-10 with Bookout-Reinicke, Brown, Himmelberger, Laible, McKenney, Price, Rome, Steinbeisser, and Whitaker voting aye.

**Motion/Vote:** REP. BROWN moved that SB27 BE TABLED. Motion passed 10-9 with Bookout-Reinicke, Brown, Himmelberger, Laible, McKenney, Price, Rome, Steinbeisser, and Whitaker voting no.

**EXECUTIVE ACTION ON SB211**

**Motion/Vote:** REP. LAIBLE moved that SB211 BE CONCURRED IN. Motion carried unanimously. 19-0.

REP. BROWN will carry the bill in the House.

**EXECUTIVE ACTION ON SB252**

**Motion:** REP. PRICE moved that SB252 BE CONCURRED IN.

**Discussion:**

**Motion:** REP. PRICE moved that SB252 BE AMENDED.

**Vote:** Motion carried unanimously.

**Motion:** REP. PRICE moved that SB252 BE CONCURRED IN AS AMENDED.

**Discussion:**

REP. GALLIK asked if this was the first time a physician's determination was required.

REP. PRICE said this is what they have been doing, it just puts it into law.

**Vote:** Motion carried unanimously.

REP. PRICE will carry the bill in the House.

**ADJOURNMENT**

Adjournment: 11:30 A.M.

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REP. JOE MCKENNEY, Chairman

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JANE NOFSINGER, Secretary

**EXHIBIT** (buh50aad)